



Foreign Agricultural Service

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## Venezuela

### Oilseeds and Products

# Import Licensing Requirements for the Oilseed Complex 2000

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#### Report Highlights:

The Government of Venezuela announced a list of prerequisites that must be completed prior to receipt of import licenses for the oilseeds complex. Most significantly, the import licensing system calls for purchasing of domestically produced or processed oilseeds before granting licenses to importers - an item worthy of WTO review.

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Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Caracas [VE1], VE

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**Executive Summary**

On November 17, 1999, the Government of Venezuela established tariff rate quota's (TRQ's) for the oilseed complex. Implementation of the TRQ's is strengthened through an import licensing regime. Almost a month and half later (December 31, 1999), the Ministry of Production and Commerce (MPC) published a notice to importers of oilseeds and oilseed by-products with details of the necessary requisites to obtain an import license.

Import licenses were awarded to the oilseed complex importers. The quotas filled an average of 25 percent of the total TRQ. In some cases, the import licenses did not cover the total established TRQ nor was it given for all the commodities listed within the TRQ. As the licenses are legally valid for a three month period, FAS/Caracas estimates that they will expire between mid April and beginning of May, 2000. At that time, MPC should call for another allocation process.

FAS/Caracas will follow closely any indication or changes that will affect the import licensing regime.

This report presents an unofficial translation of the text: "Official Notice to Importers of the Oilseed Complex"

## Import Licensing system

### General

Following the publication of the Official Gazette number 36,831 on November 17, 1999, the MPC started applying new requirements for issuing import licenses for oilseeds and oilseed products that compete with domestically produced commodities such as palm oil and soybean meal (for additional information refer to GAIN Report VE0013).

Venezuela has implemented absorption requirements which require an importer of oilseeds or oilseed products to purchase a specific quantity of domestically produced commodities as a prerequisite to receiving import licenses. The GOV claims that this system, along with implementation of tariff rate quotas, is valid within Venezuela's WTO commitments. The GOV notified the WTO of the implementation of tariff rate quotas.

The official notice to importers regarding the prerequisites to obtaining an import license was published in a local newspaper on December 31, 1999. An unofficial translation of the notice is given below. Post contends that item 9 of the official notice contains absorption requirements.

The official notice granted 21 days for importers of oilseeds and oilseed products to present all the required documents. After this period of time, the import licenses were awarded. It is important to note that the official notice specifically mentioned that the import licensing process only covers the first three months of 2000. Once the import licenses are awarded to the importer it is valid for three months, meaning that the imported product can arrive at port within this period of time. Allocations averaged 25 percent of the total TRQ and, in some commodities, the quota was filled up to 65 percent of the total.

Considering the complexities of the import process that has ruled Venezuela during the last few months, the "official Notice" represents a step toward a more transparent import policy. Despite these efforts, it is still a confusing process of issuing import licenses. Importers are clueless about procedures and details are provided at the time of awarding licenses. FAS/Caracas will closely follow any improvement or change that affects this process.

### Unofficial Translation

#### Official Notice to Oilseed and Oilseed Product Importers

Pursuant to Article 4, Decision Number 282, the Ministry of Finance, and Number 627, the Ministry of Production and Commerce, as published in the Official Gazette, Republic of Venezuela, Number 36,831, dated November 17, 1999, this is to inform parties concerned about the requirements for granting import licenses, for the first quarter of year 2000:

1. A completed form (issued by the Ministry of Production and Commerce: "Requesting an Import License")
2. Revenue Stamps amounting to fifteen (15) Tax Units must be purchased.
3. A copy of the Commercial Registry (if it is a first license)
4. A copy of the Health Registration for the product, issued by the Ministry of Health and Social Development, if appropriate.
5. An affidavit stating that the importer knows the Venezuelan Standards COVENIN (*Venezuela's equivalent to International Standards Organization, ISO*) which also includes the responsibility for damages

- concerning consumer's health and security.
6. Authorization, in the company's letterhead with the originals, duly sealed and signed by the company's legal attorney, stating the name of the authorized individual that will receive the import license.
  7. Receipt of the last import, including volume and value of the commodity.
  8. A monthly account of imports from the last year, including volume and value, along with a copy of the Import Statements (forms A, B and C).
  9. A detailed account of the raw materials, products and byproducts from the domestically produced oilseed complex bought over the last two (2) years. Such account should include volume, value and supplier's name.

Reception of these documents must take place at the following address: Dirección General Sectorial de Mercadeo Agrícola, Piso 19, Torre Este, Parque Central, mail section, within 21 days following publication of Official Notice dated December 31, 1999.

END TRANSLATION